

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:)
)
MILLENNIUM PROPERTIES LLC,) Bankruptcy Case No. 00-32002
) Chapter 11
Debtor.)

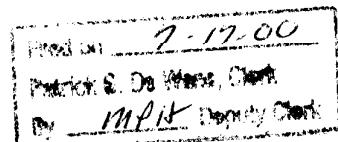
In re:)
)
SENIOR COTTAGES OF) Bankruptcy Case No. 00-32012
AMERICA, LLC,) Chapter 11
)
Debtor.)

In re:)
)
SENIOR COTTAGE) Bankruptcy Case No. 00-32011 ✓
MANAGEMENT, LLC,) Chapter 11
)
In re:)
)
SALISBURY COTTAGE) Bankruptcy Case No. 00-32008
DEVELOPMENT, LLC,) Chapter 11
)
Debtor.)

In re:)
)
MURRAY R. KLANE,) Bankruptcy Case No. 00-32486
) Chapter 11
Debtor.)

STATEMENT OF POSITION OF GUILFORD CAPITAL
CORPORATION IN SUPPORT OF U.S. TRUSTEE'S MOTION TO CONVERT

Guilford Capital Corporation and its affiliates Guilford Tax Credit Acquisition Fund,
Ltd., Guilford CF, LLC, and Guilford Realty Corporation (collectively, "Guilford"), creditor and



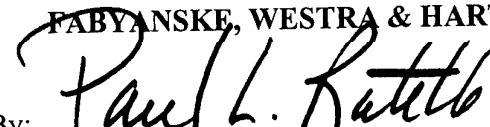
party in interest in the above-styled bankruptcy cases, and files this its Statement of Position as follows:

1. On May 2, 2000, each of Millennium Properties, LLC (“Millennium”), Senior Cottages of America, LLC (“Senior Cottages”), Senior Cottage Management, LLC (“Senior Management”) and Salisbury Cottage Development, LLC (“Salisbury”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Minnesota (the “Bankruptcy Court”). On May 31, 2000, Murray R. Klane (“Klane”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. Millennium, Senior Cottages, Senior Management, Salisbury and Klane are hereinafter collectively referred to as the “Debtors.”

2. On June 26, 2000, the United States Trustee filed its Motion to Dismiss or Convert (the “Conversion Motion”) in the Debtors’ bankruptcy cases. For the reasons stated in the Conversion Motion, Guilford believes that conversion of the Debtors’ bankruptcy cases from chapter 11 to chapter 7 is in the best interest of all creditors and the bankruptcy estates.

3. On June 16, 2000, DKM II, Inc. filed a Motion to Appoint Trustee (the “Trustee Motion”), requesting the Bankruptcy Court to appoint a chapter 11 trustee in each of the Debtors’ bankruptcy cases. Based upon the grounds alleged in the Trustee Motion, good cause exists for the Bankruptcy Court to appoint a chapter 11 trustee in the Debtors’ bankruptcy cases. If the Bankruptcy Court does not grant the Conversion Motion, Guilford supports the relief requested in the Trustee Motion.

DATED: July 12, 2000

FABYANSKE, WESTRA & HART, P.A.


By:

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-and-

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July 13, 2000

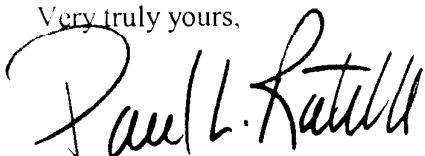
Clerk of United States Bankruptcy Court
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United States Courthouse
300 South 4th St., Suite 301
Minneapolis, MN 55415

Re: **Millennium Properties LLC, Debtor; Bky Case No. 00-32002**
Senior Cottages of America, LLC, Debtor; Bky Case No. 00-32012
Senior Cottage Management, LLC, Debtor; Bky Case No. 00-32011
Salisbury Cottage Development, LLC, Debtor; Bky Case No. 00-32008
Murray R. Klane, Debtor; Bky Case No. 00-32486

Dear Sir or Madam:

Enclosed for filing please find Statement of Position of Guilford Capital Corporation in Support of U.S. Trustee's Motion to Convert in regard to each of the above-captioned matters.

By copy of this letter to the parties on the attached Exhibit A, I am serving a copy of the enclosed Statement on each of them.

Very truly yours,

Paul L. Ratelle

PLR:smh
Enclosures
cc: Parties listed on Exhibit A

EXHIBIT A

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